

ALTERNATIVE MEASURE OF POVERTY IN INDONESIA

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ABSTRACT

Poverty is one of the long standing problems in Indonesia. Using the national absolute poverty line, it was estimated that the proportion of the poor has declined from 40.1 per cent in 1976 to 11.2 percent in 2013. However, many people claimed that the declining percentage of the poor was only true in terms of statistics. They argue that the national poverty line used to measure the incidence of poverty was not realistic. This is simply because the amount of rupiah expenditure set as the poverty line is inadequate to fulfill the basic needs of the poor. This paper based on the field survey of 360 respondents of the poor and the non-poor in three villages in three different provinces located in the Eastern, Western and Central part of Indonesia aims to examine whether the subjective poverty line is more reliable to be used as the alternative of the national poverty line and to determine the rupiah minimum expenditure of the poverty line under the subjective measure. Method used to collect the data is by using questionnaires, FGD and an in depth interview. Sample respondents were asked their perception on variables, dimension and indicators that should be accommodated in formulating the absolute poverty line. They were also questioned the minimum rupiah expenditure threshold to define the poverty line. The study found that the official poverty line that has been determined by the government was far below the poverty line that was defined by the respondents. Also, variables, dimension and indicators that should be accommodated in the national poverty line should not only be food items alone, but also access to work, housing unit, electricity, payment for traditional/cultural gathering other daily needs spending. The minimum rupiah expenditure of poverty line was argued to be more than Rp. 500 thousands equal to US \$ 42.0 per capita per month. This minimum rupiah expenditure of poverty line is almost double than the official poverty line at the average of Rp. 302 or US \$ 25.0 per capita per month. For that reason, the subjective poverty line is useful to be used as an alternative of poverty line. Thus, it is a must for the government to increase the poverty line in Indonesia.

Keywords: absolute poverty line, subjective approach, expenditure of poverty line, basic needs, variables and dimension of poverty.

1. INTRODUCTION

Poverty is still as one of the long standing problems in Indonesia. Although this country has experienced rapid economic growth at an average of 8.0 per cent per year between 1976 and 1996, the proportion of the poor has only decreased from 40.1 per cent to 11.3 per cent in those years. However, since 1997/1998 the proportion of the poor has increased again more than double to 24.2 percent. This was because this country has been hit harder by the economic crisis that occurred in Asia in 1997/1998.

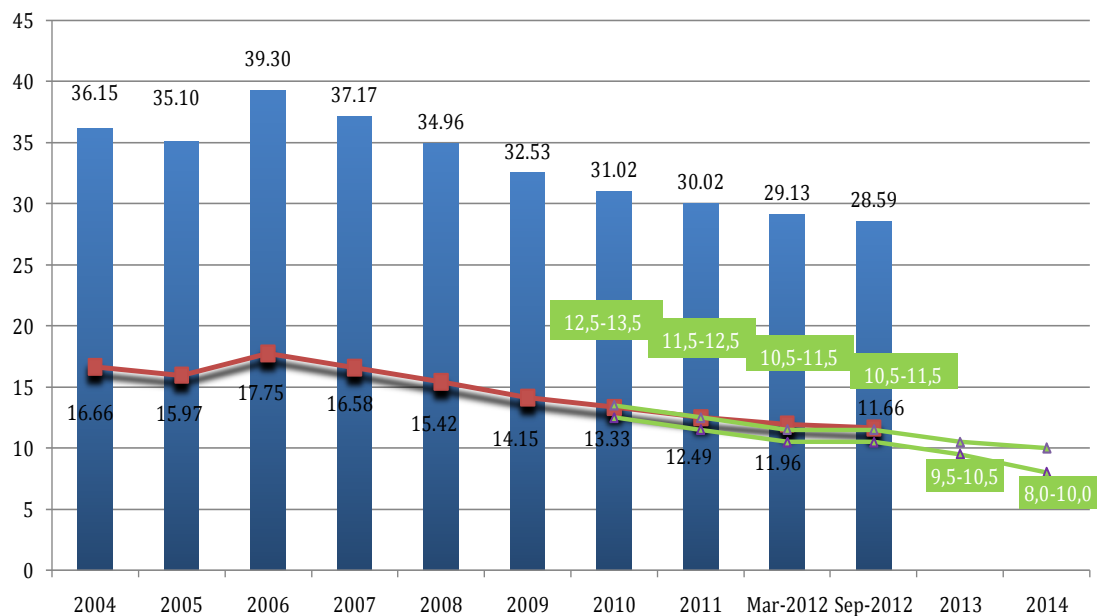
However, the significant increase of the proportion of the poor in 1998 has been able to be reduced at the same level as in the year in 1996 at 11.4 per cent in 2013. The Central Board of Statistics using the national poverty line estimated that the number of the poor in 2013 was 28.07 million people. This number of the poor was not much different as in 2012. In 2012 the number of the poor was estimated to be at 29.1 million people (CBS, 2013). This indicated that between 2012 and 2013 rapid economic growth at annual average of 6 per cent was only able to reduce 1.03 milion poor people. This inability of the rapid growth to reduce the poor at the significant rate has occurred since 2009 as shown at Figure 1. Thus, these facts once again confirm that rapid economic growth was not sufficient to reduce the incidence of poverty significantly.

Beside critics to the insufficient ability of the growth policy to eliminate the incidence of poverty, there have been also critics regarding the concept and definition of the poverty line made by the government. It is argued that the present concept and definition of the official poverty line that based on the standard calorie intake should be reconsidered as it does not take into account protein intake. Also, it is because many food commodities with high calorie intake can be purchased at low price. Hence, the present official poverty line used to measure the incidence of poverty is unable to catch the real facts of the poor.

Other critics to the present national poverty line relates to the arbitrary in selecting the 52 items of food commodity baskets. This arbitrary certainly affects the poverty line made by the government. Note also that the distinction of the poverty line made between rural and

urban areas made the non-poor in rural areas will be counted as the poor, if they migrate to urban areas (see Asra, 2013 for details). This condition will further mislead the statistics of the number of the poor.

The proportion of the poor 2004-2014



Source : Central Board of Statistics, 2004-2014

Due to the above critics, there have been many suggestions to seek other methods in defining the poor in Indonesia. Of these methods, the self-rated or subjective poverty line, however, has been widely suggested in the literature (see for instance, Mangahas, 2008; Van Praag and Carbonnel, 2006; Herrera et.al, 2006; and Firdausy, 2011). Others suggested the use of

the World Bank Poverty line, and the relative poverty line (Wagle, 2002). Also, Alkire (2010) and UNDP (2010) have suggested the important of multidimensional poverty line as the method of estimating the incidence of poverty in Indonesia.

To response the suggestions above, the government through the Body of National Development Plan (Bappenas) has organized a serial national discussion to seek an alternative measure of the poverty line that is able to minimise the above drawbacks of the present official poverty line on one hand and can be used for decision making policy for increasing the welfare of the poor on the other hand. For this reason, the present study aims to examine the alternative concept and definition of the present poverty line. A particular concern in this study will be given to the subjective or self rated approach using sample survey in three villages of three provinces in Indonesia.

Before the results of this study are discussed, this paper will address first the concept and definition poverty line advance in the literature and the poverty lines that were used to estimate the poor in Indonesia as the background of the analysis in section 2. The third section then explains the research methods used in the study. The fourth section discusses findings of the study with particular concern on the subjective poverty line based on socio-economic characteristics of the respondents. Finally, concluding remarks are drawn in section 5.

2. A BRIEF LITERATURE REVIEW

2.1 *Concept and Definition of Poverty*

Literatures on the concept and definition of poverty can be grouped into two. The first emphasises on the measurement-related poverty. The second deals with cause or factor-related poverty. The later will not be discussed here as the focus of this study is to examine the alternative concept and definition of the poverty line.

The measurement of related poverty can be divided into two, namely, static and dynamic. All of these concepts and definition of poverty used their measures based on the dimension of economic well-being. This economic well-being dimension is usually measured by income, expenditure or welfare approach.

In terms of the static measures, however, poverty is divided into absolute poverty, relative poverty and subjective poverty. The first two poverty measures usually used one of the above three approaches of economic well being. But, for the subjective poverty, it is based on the perception or subjectivity of the population or household. While for the dynamic measure, this can be grouped into two, namely, chronic and transient poverty (see Asra, 2013).

The absolute poverty is usually defined to reflect the inadequacy to fulfil the basic needs. In this approach the poverty line is derived on the basis of the above variables objectively. Methods used to determine the absolute poverty line in this category can be based on Direct Calorie Intake (DCI), Food Energy Intake (FEI), or Cost of Basic Needs (CBN) methods.¹

The DCI method essentially measured the incidence of malnutrition rather than the incidence of poverty. This suggests that people who have lack in food calorie intake cannot be considered as poor, but it should be considered as malnutrition. However, as poverty is usually correlated with the lack of food intake, people who have less food calorie intake were consequently considered as poor in the national statistics.

The way that the DCI method used is by calculating the consumption of food intake of the households and compared with the consumption of food intake under the recommended dietary daily Allowance (RDA) of 2.100 calorie per capita per day. Thus, households who have the consumption of food daily intake per capita per day below this RDA are considered poor.

¹ see Ravallion (1992).

Unlike the DCI method, the food energy intake (FEI) method is used by first calculating the minimum average of the food energy intake and then this standard of FEI is converted into rupiah equivalent. This rupiah equivalent is then used as the expenditure poverty line (see details Ravallion, 1992). Note that, this type of FEI poverty line has been argued to be misleading when it is used for the comparison purpose of the incidence of poverty between region as well as between location. The reason is simply because the FEI poverty line does not accommodate differences in taste, prices of food and non-food and individual activities (Ravallion, 1992, p. 28).

Due to the reasons above, the Cost Basic Needs (CBN) approach was selected as the method to measure the incidence of poverty in Indonesia. Unlike the above two poverty lines, the CBN poverty line is determined on the basis of food basket and the non-food basket. The items that are included in the two baskets are the items which are considered as basic needs items. All of the items in both food and non-food baskets are finally converted into rupiah as the official poverty line at about Rp. 302 thousands per capita per month (see CBS, 2012).

The self-rated or subjective poverty line is argued to be a simple method, easy to implement, quicker, more frequent and regular. The method is developed on the basis of individual perception toward definition of the poor (Goedhart, et.al, 1977). This poverty line is usually used in many developed countries. However, in the Philippines, this subjective poverty line has been used by Social Weather Station (SWS) since 1983 to complement the poverty data collected by National Statistical Coordination Board, Phillipines. Mangahas (2008) argued that the subjective poverty line as the world's most rapid and most up-to-date system for statistical monitoring of poverty and hunger in a country at the national level. Gustafsson dan Yue (2006) has already used this method to estimate the incidence of poverty in China in 2002. Using this method, they found that the proportion of the poor in rural

areas in China has not been much different to the estimate of the poor using the World Bank measure. Thus, the subjective poverty line is worth to be used as an alternative measure of the incidence of poverty.

2.2 *Poverty line Used in Indonesia*

There are two types of absolute poverty lines that have been used to estimate the number of the poor in Indonesia. The first type is the official poverty line that established by the government through the Central Board of Statistics (CBS). The second type is the non-official poverty line including the Sayogyo's poverty line, the World Bank poverty line and others (see Asra, 2010).

For the official poverty line, however, there have been changes since 1993. Before 1993, the official absolute poverty line used to estimate the incidence of poverty was by using the Food Energy Intake (FEI) method. In this method, any individual is considered poor if his/her daily consumption spending on food energy is under the standard minimum of Recommended Dietary Allowance (RDA) at 2.100 kilo calorie per capita per day (CBS, 1994).

Since 1993, however, this official FEI method has been changed to the Cost of Basic Needs (CBN) method. As it has been explained previously, the CBN poverty line method based the estimation on the costs spend by the individual to fulfill his/her basic needs. Basic needs here are defined not only covered the food items, but it also accommodates non-food items. The food items consist of 52 basic food items including rice, tubers, fish, meat, eggs and milk, vegetables, nuts and fruits. Whilst the non-food items include individual spending on housing, clothing, health and education. By summing up both spending on food and non-food items, the government then determine the poverty line in terms of rupiah currency.

Apart from the use of the official poverty line above, there had been numbers of poverty line that were suggested and used as complementary measures of the incidence of poverty in Indonesia. Of these non-official poverty lines used are as follows. The first is the Sayogyo's poverty line. This poverty line was widely used to estimate the number of the poor in 1970s. The poor is defined under this poverty line as individual who has income per year less than the equivalent of the price of 320 kilogram of rice. This poverty line is used to define the poor in rural areas. For the urban areas, however, the poverty line is defined as the individual who has income per year less than the equivalent of the price of 480 kilograms of rice (Asra, 1992).

However, the Sayogyo's poverty line has been argued to have many drawbacks. This poverty line, for instance, is not sensitive to changes of the price of rice in one location to other location. Also, changes in the price of rice are not always in line with changes in the price of non rice goods. Thus, the Sayogyo's poverty line, although it is quite simple and easy to be used, is not sensitive to the changes of the price of rice in one place to other places as well as to the time changes.

Due to the above drawbacks, The World Bank followed by the Asian Development Bank suggested the \$1 *Purchasing Power Parity* (PPP) per capita per day as the international poverty line (see David, Asra dan de Catsro (1999). This poverty line was then expanded to \$2 PPP per capita per day. However, using this poverty line it was found that the estimate proportion and number of the poor in Indonesia has not been the same as it is using the official poverty line. Consequently, the government continues to use the CBN method as the official poverty line to estimate the number of the poor in Indonesia till today.

3. RESEARCH METHODS

As previously mentioned, this study aims to examine the alternative poverty line in Indonesia focusing on the self-rated or subjective approach suggested by Mangahas (2008). The examination of the subjective poverty line in the study is not only on the respondents' perception of what variables and dimension that are considered important to be accommodated in the subjective poverty line, but it also seeks the minimum amount of rupiah to cover their costs of basic needs per capita and per household per month.

To examine the above research questions, a field work survey was undertaken in three villages located in three different districts and provinces, namely, the district of Bantul, Yogyakarta province (Central part of Indonesia), the district of Palembang, South Sumatera province (Western Part of Indonesia) and the district of Gowa, South Sulawesi province (Eastern part of Indonesia). These three different survey locations were selected to sharpen the finding of the study.

Also, it was intended to minimize cultural and geographical differences of people in Indonesia that could affect the individual perception in determining their subjective views on the poverty line. Note also that, the selection of the three districts considered differences in the proportion of the incidence of poverty. The district of Bantul (Jogyakarta province), for instance, has the highest proportion of the poor. While the district of Gowa (South Sulawesi province) and the district of Palembang (South Sumatra province) had medium and small number of the poor respectively.

After the three districts above selected, two villages in each district were taken as sample locations. These villages were Panggungharjo and Triharjo villages which located in the District Bantul (Jogyakarta province). The villages of Dua puluh II and Karya Jaya villages in the District Palembang (South Sumatera province), and Tanrara and Bolaromang villages in the district of Gowa (South Sulawesi province).

Before a questionnaire was given to sample respondents, a card first was handed on to each respondent to state whether he/she is poor or not poor. Of 360 respondents selected, it was found that about 66.7 percent of the respondents grouped themselves as the poor respondents, while the rest of 33.3 percent grouped themselves as the non-poor. Note that, method to select sample respondents in each village was by using systematic random sampling from the sampling frame of each village provided by the local statistic office.

In addition to questionnaires, an in depth interview to some of the poor and the non poor respondents was also done in the survey villages. This interview was intended to sharpen data and information collected using questionnaires. Also, a Focus Group Discussion (FGD) with local resource persons including the formal and informal leaders was undertaken. This qualitative survey again was intended to back up data and information collected from quantitative survey using questionnaires. A field observation was also done in order to observe daily behavior of the respondents surveyed as well as to minimize untruthful answer given by the respondents in completing questionnaires.

Data and information collected from in depth interview include : a) the respondents' perception towards the subjective poverty line; b) details food and non-food variables that must be included in the poverty line; and c) reasons why those variables are considered important. For the questionnaires, data collected include: a) characteristics of respondent consisting of age, sex, educational attainment, and employment status; b) data on income and expenditure per month; c) respondent's perception on what variables of food and non-food that must be accommodated in the poverty line; and d) respondent's perception on what standard minimum income/expenditure per capita per month as the subjective poverty line. Note that in this paper, the discussion will be limited only on findings related with the respondents' perception on the meaning of poor, the basic needs items of

poverty line, and the amount of rupiah expenditure to define poverty per capita and per household per month based on social and economic characteristics.

4. RESULTS AND DISCUSSION

4.1 *What is the Meaning of Poor?*

The meaning of poor viewed by the respondents surveyed was varied. However, only about 7.8 per cent of respondent defined poverty as the lack of the ability of individual to fulfill merely one basic needs item. The rest defined poverty as the lack of the ability to fulfill more than one of the basic needs items. Of this group, the largest proportion of respondents defined poverty as the individual who has the lack of two and three basic needs items. The proportion of respondents who defined poverty as the individual who has the lack of more than three basic needs items was relatively small.

Note that, of the six basic needs items viewed very important in defining poor individual was food items. These food items were viewed as the main item that has to be accommodated in defining poverty line. Whilst for the combination of the food items can include the ability of individual to pay social and cultural contribution in the village, access to work and a poor housing unit. Whereas for the items combination of the lack of education and health have been considered as the least important items in defining poverty. This is not so surprising as these two non-food items have been provided free by the government in the villages surveyed.

The above findings were also confirmed from the data and information collected using in depth interview and Focus Group Discussion (FGD). Using FGD in Jogjakarta province, for instance, it was stated as follows:

“.....the meaning of poor does not only related with food requirements for the daily needs, but it also associated with the

non food items and the ability of the individual to share his/her income for any social and cultural contribution organized in the village. If any individual was not able to pay for any social and cultural contribution organized in the village, the individual was considered poor

A similar finding was also viewed by the participants of FGD and in depth interview in the village of Gowa in South Sulawesi province as well as in the city of Palembang, South Sumatra province. However, the emphasis stated by these FGD's participants were not only on the lack daily of food consumption, but it was also related with clothing needs and a poor housing unit.

The above views were also confirmed by respondents on the basis of education level. The respondents who have educational attainment lower than senior high school generally defined poverty as the lack of food consumption whereas those respondents who have educational background above senior high school defined poverty as individual who do not only have the lack of food consumption, but more importantly as the individual who has the lack of non-food consumption. Although the number of these respondents' group were in small number, but it certainly indicates that educational background has strong relationship with the poverty definition. Thus, the decision to define poverty line for this group should accommodate the important of non-food items, apart from the food item (Table 1).

Table 1. Respondents' Perception on the meaning of poor by educational level (unit: percent)

Educational Attainment	The Meaning of poor										
	1	5	1, 5	1,4	1, 4, 5	1, 4, 6	1, 5, 6	1, 2, 3, 4	1, 2, 4, 6	1, 4, 5, 6	1, 2, 3, 4, 5
Not completed elementary school	1,67	1,39	3,61	1,67	4,72	1,94	1,11	0,83	1,39	2,22	1,11
Completed Elementary School	0,83	0,83	0,00	1,11	1,67	2,22	0,56	0,83	1,94	1,11	1,94
Completed Junior high school	0,56	0,28	0,28	1,11	0,56	2,50	1,11	0,28	0,56	0,56	0,56
Completed senior high school	0,28	1,11	0,00	0,56	0,56	1,39	0,28	1,11	0,00	1,67	3,33
Diploma	0,28	0,00	0,00	0,00	0,00	0,28	0,28	0,00	0,00	0,00	0,00
University	0,00	0,00	0,28	0,00	0,28	0,00	0,00	0,00	0,00	0,00	0,00
Total Percentage (N=360)	3,61	3,61	4,17	4,44	7,78	8,33	3,33	3,06	3,89	5,56	6,94

Note : 1. Not enough food; 2. Unable to hospital;3. Unable to send the children to school; 4.. poor housing unit; 5. Employment status; and 6. Others (payment for social contribution).

- Total percentage for each item under 3 percent is not given so that the the percentage was not 100 percent.

Source : data collected from villages survey, 2014.

4.2 *What are the Details of Basic Needs Items in the Poverty Line?*

As previously stated that the poverty line should accommodate food and non-food items. However in terms of the non-food items, the study found that the daily non-food consumption such as soaps, tooth paste, towels and the like have been viewed important. The proportion of respondents who stated these views was about 7.8 percent. This is followed by those respondents who viewed the important of the ability to pay for traditional or cultural activity in the village (7 percent). For the non-food items such electricity, education, and health, the proportion of the respondents in this category was only 6.1 percent (Table 2). Therefore, differences on educational characteristics of the respondents do not show any difference views in defining items that should be accommodated in the poverty line.

Table.2 Respondents' perception on the meaning of poor on the basis of detail basic need items by educational attainment

(unit :percent)

Educational Level	Basic needs Items			
	1,2	1,9	1,2,3,4,5,6,7,8,9	1,2,3,4,5,6,8
Not completed elementary	3,89	1,94	2,78	2,22
Completed Elementary school	1,94	2,78	0,28	0,83
Completed Junior High School	0,83	1,39	1,39	0,00
Completed senior high High Diploma	0,83	0,83	1,67	0,56
University	0,28	0,00	0,00	0,00
University	0,00	0,00	0,00	0,00
Total percentage	7,78	6,94	6,11	3,61

Notes: 1. Food items; 2 daily needs (soap, tooth paste and tooth brush);
 3. Energy for cooking and transportation; 4. Education; 5. Health;
 6. Electricity; 7. Telephone; 8. Social contribution; and 9. Others.

- Total percentage for each item under 3 percent is not given so that the the percentage was not 100 percent.

Source : data collected from villages survey, 2014.

A similar finding was also found when the respondents were grouping in terms of the type of employment. As exhibits at Table 3, the respondents for all type of employment defined that the meaning of poor for any individual if she/he has no ability to fulfill his/her daily food and other non-food items consumption. However, of the basic needs items that were considered a must to define poverty is the combination of food items and others and the combination of six basic needs items. These six basic need items are the inadequate daily of food consumption, the inability to go to health clinics when

ill, inability to send children to school, poor housing unit, access to work and others. This was followed by the combination of three basic needs items, namely, inadequate food consumption, poor housing unit and others. This again indicates that the meaning of poor does not solely relate with food consumption.

Table 3. Respondents' Perception on the meaning of poor based on employment status

(unit: percent)

Type of Employment	Basic need items category						
	1	1,4	1, 6	1,4,5	1,4,6	1,4,5,6	1,2,3,4,5,6
Government official	0,28	0,28	0	0,56	0,56	0	0
Company's workers	0	0,28	0,28	0,56	0,28	0,28	0,28
Farmer	0,56	1,94	3,33	2,22	3,33	1,39	1,67
Blue worker	0,56	1,11	3,06	1,39	3,33	2,22	3,06
Informal sellers	0,28	0,83	1,39	0,83	0,56	0,56	2,5
Husbandry	0	0	0,28	0	0	0	0,56
House wife	0,56	0	1,11	0,28	0	0,28	0
Entrepreneur	0	0	0	0,56	0,28	0,56	0,56
Unemployed	0,56	0	0,56	1,11	0	0	0
Others	0,83	0	0,56	0	0	0,28	0,83
Total persentase	3,61	4,44	10,56	7,5	8,33	5,56	9,44

Note : 1. Not enough food; 2. Unable to go to hospital when sick ;3. Unable to send the children to school; 4.. poor housing unit; 5. Unemployed ; and 6. Others (including payment for social contribution).

- Total percentage for each item under 3 percent is not given so that the the percentage was not 100 percent.

Source : data collected from villages survey, 2014.

However, of nine basic needs items of poverty line, the study found that the combination of inadequate food consumption and other daily needs has the largest percentage. This was then followed by the combination of food items and others, and the combination of nine basic needs items (Table 4). This suggests that the type of employment has no significant relationship with judgement toward the poverty line. The meaning of poor based on the type of employment was the same as the meaning of poor based on educational level as discussed previously.

Table 4. Respondents' Perceptions on the type of the basic needs to define poverty by type of employment (unit : Percent)

Type of employment	Basic needs item category				
	1,9	1,2	1,4,9	1,2,3,4,5,6,7,8	1,2,3,4,5,6,7,8,9
Government Officials	0	0,56	0,28	0,28	0
Private workers	0	0	0	0	0,28
Rice Farmers	1,94	3,06	0	0,56	0,83
Blue collar workers	3,06	1,94	1,67	0,83	3,33
Hawkers	0,56	0	0,56	0,28	0,83
Husbandry farmers	0	0	0	0	0,28
House wife	0,28	0,83	0	0	0
Small traders	0,56	0	0,56	0,28	0
Unemployed	0,28	0,83	0	0,56	0
Others	0	0,56	0,83	0,83	0,56
Total percentage	6,67	7,78	3,89	3,61	6,11

Notes: 1. Food items; 2 daily needs (soap, tooth paste and tooth brush);
 3. Energy for cooking and transportation; 4. Education; 5. Health;
 6. Electricity; 7. Telephone; 8. Social contribution; and 9. Others.
 - Total percentage for each item under 3 percent is not given so that the the percentage was not 100 percent.

Source : data collected from villages survey, 2014.

Finally, in terms of the number of household members, the study also found that most of the respondents defined the meaning of poor as the combination of food as well as non-food items. In other words, the meaning of poor does not only relate with food items. This once again confirmed that the components that need to be accommodated in defining the poor individual should not be based only on the food items, but it should be combined with other basic needs. There are at least 5 dimensions or variables that need to be accommodated in constructing the national poverty line. Apart from the food adequacy, variables such as housing unit, payment for social contribution and access to work were claimed to be a must in defining the poor individual.

4.3 *How much is the Rupiah Expenditure as the Poverty line?*

Respondents' perceptions on the rupiah expenditure in defining poverty line have almost shown no differences on the basis of social economic characteristics. In terms of educational attainment, for instance, most respondents viewed that the minimum rupiah expenditure per month for individual was Rp. 500 thousand. Whilst for household with two children under elementary school age was Rp. 1.5 million per month. The proportion of respondents who viewed this statement was about 33.9 percent. Moreover, the respondents who stated the minimum rupiah expenditure per month per household with two children less than Rp. 500 thousands (US.\$ 42.0) was only 9.2 percent. The rest of respondent was in the group of the minimum expenditure per month between Rp. 500 thousands and Rp. 1.5 million (see Table 5 for details percentage). Note that the exchange rate of US dollar in terms of rupiah at the time of survey was Rp. 11 800.

Table 5. Respondents' Perception on the Minimum Rupiah Expenditure by Educational Level

(unit: Percent)

Educational Level	The Minimum Rupiah Expenditure as the poverty line per month (in thousand rupiah)					
	< 500	500-750	750-1000	1000-1250	1250-1500	> 1500
Not completed elementary school	4,17	6,11	4,17	6,94	6,67	6,67
Completed Elementary School	1,39	3,61	2,50	3,89	3,89	8,61
Completed Junior High School	1,67	1,39	1,11	2,50	3,89	6,67
Completed Senior High School	1,94	0,83	1,11	3,89	2,22	10,28
Diploma	0,00	0,56	0,28	0,00	0,28	0,56
University	0,00	0,00	0,00	0,28	0,56	1,11
Total percentage	9,17	12,50	9,17	17,50	17,50	33,89

Source : data collected from villages survey, 2014.

One interesting thing of this finding was that those respondents who viewed the minimum rupiah expenditure per month above Rp. 500 thousand was not only those respondents with educational level above senior high school, but it was also respondents with elementary educational background or less. This suggests two things. First, the per capita minimum expenditure per month that was determined by the government at about Rp. 302 thousand as the poverty line was not realistic. The second, educational

background apparently has no direct relationship with respondents' perception in judging the poverty line in terms of rupiah expenditure.

In terms of the type of employment, the finding was almost similar with the respondents' perception by educational level. It was stated that the poverty line that was considered by the type of employment was also Rp. 500 thousands per capita per month or Rp. 1.500.000 per month for a household with two children. The proportion of respondents who stated this expenditure poverty line was 33.6 percent, while the proportion who stated the poverty line between Rp. 1.25 million and Rp. 1.5 million per household per month was about 17.5 percent. The percentage of respondents who stated between Rp. 1 million and Rp. 1.25 million per household per month was about 17.2 percent (Table 6).

However, it should be noted that the respondents who work as a farmer tends to state the minimum expenditure of poverty line were much lower than the respondents who have the type of employment as small traders and blue collar workers. This is certainly not surprising as the farmers were able to consume any food items from his own backyard.

Table 6. Respondents' Perceptions on the expenditure poverty line by the type of employment

(unit : percent)

Type of employment	Minimum expenditure as the poverty line (in thousand rupiah)					
	< 500	500-750	750-1000	1000-1250	1250-1500	> 1500
Government Official	0,00	0,56	0,00	0,56	0,83	0,83
Private workers	0,00	0,28	0,28	0,28	0,83	1,11
Rice Farmers	6,39	3,89	2,50	4,17	3,89	3,61
Blue collar workers	1,11	2,78	3,06	5,56	5,56	12,50
Hawkers	0,56	1,11	0,56	1,94	2,78	6,11
Husbandry farmers	0,00	0,28	0,00	0,00	0,56	0,56
House wife	0,28	1,67	0,83	1,11	0,83	0,83
Small Traders	0,00	0,56	0,83	0,56	0,28	3,06
Unemployed	0,56	1,11	1,11	1,39	1,39	0,83
Others	0,28	0,56	0,00	1,67	0,56	4,17
Total percentage	9,17	12,78	9,17	17,22	17,50	33,61

Source : data collected from villages survey, 2014.

In term of the number of household members, the study found different pictures as the above findings. As can be seen at Table 7, there was only about 9.2 percent of respondents who stated the expenditure of poverty line less than Rp. 500 thousand per capita per month. The rest of respondent tend to state the expenditure of poverty line at the above of Rp. 500 thousand per capita per month. The percentage of respondents who stated the expenditure of poverty line above Rp. Rp. 1.5 million per capita per month was also found at 33.9 percent. This perception might be affected by the number of household size.

Table 7. Respondents' Perceptions on the rupiah expenditure by
The number of household members

(unit: Percent)

Number of Household member	Minimum expenditure of poverty line (000)					
	< 500	500-750	750-1.000	1.000-1250	1250-1500	>1500
1	0,83	0,83	0,56	0,28	0,83	0,56
2	0,56	2,50	0,83	2,50	1,39	2,78
3	1,94	3,06	1,39	3,33	3,89	3,89
4	1,94	3,06	3,33	3,61	4,44	11,11
5	2,22	1,39	1,11	3,33	1,94	6,94
6	0,83	0,56	1,67	1,94	3,33	3,06
7	0,28	0,56	0,00	0,83	1,11	3,06
8	0,56	0,00	0,00	0,83	0,56	1,67
9	0,00	0,56	0,28	0,28	0,00	0,28
10	0,00	0,00	0,00	0,56	0,00	0,56
Total percentage	9,17	12,50	9,17	17,50	17,50	33,89

Source : data collected from villages survey, 2014.

From the discussion above, it was very clear that the subjective poverty line approach can be used to examine variables and dimension of poverty line. Dimension and variables for determining poverty line should not only be based on the adequacy of food consumption alone, but it should also take into account other non food items such as access to work, payment for social gathering, housing unit and other daily spending.

The minimum expenditure to define the poor individual was found to be more than twice of the official poverty line. It was found that the minimum expenditure for individual per month was Rp. 500 thousands or US\$ 42.0, while for the household with two children under elementary school age it was found at about Rp. 1.5 million per month. This subjective poverty lines has been confirmed by the respondents not only based on educational

background, but also based on type of employment. However, the respondents' perceptions of the expenditure poverty line based on the household members, the study found that there was no clear answer to this questions.

5. CONCLUDING REMARKS

Critics that claimed the official poverty line has many drawbacks were confirmed from this study. The drawbacks of the official poverty line were not only in terms of variables and dimension of the poverty line made by the government, but it was also in terms of the amount of rupiah expenditure of the poverty line.

Apart from the food items, the study found that the non-food items were also important to be accommodated in defining the poor individual. These non-food items include the daily expenditures for soap, tooth paste, and electricity, payment for social cultural contribution, proper housing unit, and access to work. The non-food items especially education and health have been considered relatively unimportant as these items have been given free by the government.

The amount of rupiah expenditure that should be used as the poverty line was found to be at Rp. 500 thousand or US\$ 42.0 per capita per month. This subjective expenditure poverty line was almost double in comparison to the official poverty line at Rp. 302 thousand per capita per month. While for the household with two children under elementary school age, the poverty line suggested was about Rp. 1.5 million or US\$ 127.1 per month.

To sump up: the present poverty line made by the government should be increased to Rp. 500 thousand per capita per month. Variables and dimension to define poverty line should accommodate not only food items, but also other non-food items. The revision toward the present official poverty

line is considered important to be done by the government as this poverty line was found to be far from the fact of life of the respondents under this study. By increasing the present official poverty line to Rp. 500 thousand per capita per month, there will be many rooms for the government to increase the quality of life of the poor in Indonesia.

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